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# TOO GOOD TO BE TRUE....

## A Column on Consumer Issues

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### **SIGNS OF FINANCIAL ABUSE OF ELDERLY**

Older people are frequent targets of financial scams aimed at bilking them out of their life savings. The most common scams aimed at the elderly are sweepstakes, charities, investments, home repair, and lotteries.

When someone whose spouse handled the finances is recently widowed; is physically, emotionally, and psychologically dependent on someone; or lives alone and has few friends; he or she may be susceptible to a lesser-known crime -- financial abuse of the elderly. As our population ages, this problem will rapidly affect even greater numbers.

Financial abuse is the theft or conversion of money or other property by a caregiver, relative, or other person the individual trusts.

Financial abuse can take many forms. For instance, title to the older person's home or other assets may be transferred to the abuser and then sold. Funds from checking, savings, and investment accounts may be withdrawn without authorization. Wills may be changed through intimidation. Loans may be taken out and the funds given to the abuser. Checks may be signed over to the abuser, who cashes them. Even outright theft of property may occur.

The National Institute on Financial Issues and Services for Elders, a unit of the National Council on the Aging, says to watch for these signs of financial abuse:

- The elderly person's living conditions are well below his or her financial resources.
- Unusual or inappropriate bank account activity is reported.
- Frequent checks for cash are written to a caregiver or financial professional.
- Bills go unpaid or are overdue when someone is supposed to be paying them.
- The elderly person transfers title to his or her home or other assets for no apparent reason.
- Large, frequent gifts are made to a caregiver.
- The person is reluctant to talk about once-routine topics.
- Personal belongings are missing.
- Attempts are made by a caregiver, friend, or relative to isolate the person from others.
- Changes are made in a will when the person appears to be incapacitated.
- The older person takes out large, unexplained loans.
- A live-in caregiver refuses to leave or is evasive about financial arrangements.

In many instances, the victim feels shame, especially when family members are involved, and consequently the crime goes unreported. However, steps can be taken to reduce the likelihood of financial abuse happening in the first place.

**Limit the power of attorney.** A power of attorney, a legal document authorizing a person to perform certain legal or financial acts on someone else's behalf, may be used to rob a person's financial assets. Be sure the agent is someone who can be trusted.

**Limit the powers the agent has under the power of attorney.** The agent can be required to provide an annual accounting of income and expenses to an outside party such as an attorney or financial planner.

**Involve several people.** Major financial decisions for the elderly should be made only after consulting several trusted people, such as relatives and financial professionals.

**Have checks directly deposited.** Direct deposit of social security checks, for example, reduces the opportunity for theft. However, the funds are still at risk if the abuser is a joint holder of the account.

**Use automatic bill paying.** Routine bills can be automatically paid for elders from a checking or savings account, or a bill-paying service can be hired.

**Communicate with the bank.** Banks are often the first to see questionable financial activity and can alert the older person or a relative.

**Hire a geriatric care manager.** These professionals often monitor an older person's complete care, including financial status, and can report any problems to relatives.

**Check references.** Anyone hired to provide care should be thoroughly screened.

**Reduce isolation.** Elderly people should be wary of a caregiver who tries to isolate them. It's tougher for a caregiver to commit fraud in a crowd, so the older person should keep in touch with friends and family members. If you live far away from a vulnerable relative, keep in contact with the relative's close friends and neighbors.

By being aware of the signs of financial abuse and taking specific actions, the risks can be dramatically reduced or even prevented.

*The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at [www.ag.state.nd.us](http://www.ag.state.nd.us).*

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